

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

October 20, 2008

9:30 a.m.

Embassy Suites Hotel
333 Madonna Road
San Luis Obispo, CA 93405

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte
John Chiang
Rob Feckner
David Gilb
Henry Jones
Bill Lockyer
Louis F. Moret
Tony Oliveira
Anne Sheehan
Kurato Shimada
Charles Valdes

CLOSED SESSION	9:00 a.m. Interim Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and (c)(16))
OPEN SESSION	9:30 a.m.
CLOSED SESSION	Upon Adjournment or Recess of Open Session (Government Code sections 11126(c)(16) and 11126(g)(1))

AGENDA

OPEN SESSION

- | | |
|----------------------------------------------|------------------------------------------------------------------------------------------|
| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the September 15, 2008 Open Session Minutes |
| | 3. Total Fund |
| Information / Anne Stausboll | a. Environmental Programs Update |
| Action / Farouki Majeed and Curtis Ishii | b. Proposed Changes to Currency Overlay Program |
| Action / Eric Baggesen and Curtis Ishii | c. Implementation of Internally Managed Enhanced Equity Portfolio |
| Information / Eric Baggesen and Curtis Ishii | d. Trading Process Modifications |
| Action / Anne Stausboll | e. Adoption of Policy on Divestment |
| | 4. Real Estate |
| Information / Ted Eliopoulos | a. Responsible Contractor Annual Report |
| Action / Ted Eliopoulos | b. REIT Manager Annual Review |
| Information | 5. Alternative Investments Management (AIM) |
| | 6. Inflation-Linked Asset Class (ILAC) |
| Information / Farouki Majeed | a. Implementation Update |
| Information / Farouki Majeed | b. Delegation and Process for ILAC |
| Information / Farouki Majeed | c. Selection of ILAC Consultants for Spring-Fed Pool |
| Action / Farouki Majeed | d. Transfer of Agricultural Land from Real Estate to ILAC |
| Information | 7. Global Fixed Income |
| | 8. Global Equity |
| Information / Wilshire Associates | a. Consultant Review of Internal Risk Managed Absolute Return Strategies (RMARS) Program |
| | 9. Global Equity – Corporate Governance |
| Information / Eric Baggesen | a. Corporate Board Diversity Update |
| Information / Wilshire Associates | b. Consultant Review of Internal Corporate Governance Program |
| Information | c. Corporate Governance Update |
| Information | 10. Supplemental Income Plans (SIP) |

- | | |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Information / Anne Stausboll | 11. Chief Investment Officer's/Chief Operating Investment Officer's Report
a. Consolidated Investment Activity Report
b. Chief Operating Investment Officer's Status Report |
| Information | 12. Draft Agenda for November 17, 2008 |
| | 13. Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

CLOSED SESSION	Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16)) (Government Code section 11126(g)(1) [Item 13 only])
-----------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------

- | | |
|-------------------------------------------|--------------------------------------------------------------------------------------|
| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the September 15, 2008 Closed Session Minutes |
| Information | 3. Total Fund |
| Information / Ted Eliopoulos | 4. Real Estate
a. Portfolio Sector Update |
| Information | 5. Alternative Investments Management (AIM) |
| Information / Farouki Majeed | 6. Inflation-Linked Asset Class (ILAC)
a. Forestland Transaction Update |
| Information / Curtis Ishii
Information | 7. Global Fixed Income
a. High Yield Manager Update
b. External Manager Update |
| Information | 8. Global Equity
a. External Manager Update |
| Information | 9. Global Equity – Corporate Governance
a. Corporate Governance Update |
| Information | 10. Supplemental Income Plans (SIP)
a. External Manager Update |

- | | |
|------------------------------------------------|----------------------------------------------------------------------------|
| Information / Anne Stausboll | 11. Chief Investment Officer's/Chief Operating Investment Officer's Report |
| | a. Status of Action Items Not Yet Reported |
| Information / Anne Stausboll | 12. Activity Reports |
| | a. Alternative Investments Management |
| | b. Real Estate |
| | c. Risk Managed Absolute Return Strategies |
| | d. Corporate Governance |
| | e. Inflation-Linked Assets |
| Information / Anne Stausboll and Chris O'Brien | 13. Chief Investment Officer Recruitment |